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C O N F I D E N T I A L SECTION 01 OF 02 MOSCOW 000475

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SUBJECT: ITALY: PRODI AND PUTIN TALK AFGHANISTAN AND
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Classified By: Pol/Min Counselor Alice G. Wells. Reasons: 1.4 (b/c/d).

11. (C) SUMMARY. Italian Prime Minister Prodi stopped in Sochi January 23 to discuss Afghanistan and Kosovo, bilateral trade and the Russian president's March visit to Italy. On Afghanistan, Putin was critical of President Karzai's contacts with "moderate" Taliban members. Putin voiced concerns about a "Greater Albania" if Kosovo gained independence, while Prodi said the best way forward was to gain Serbia's cooperation with the promise of EU membership. Putin was critical of U.S. air strikes in Somalia, claiming the U.S. coveted Somali energy resources. He also raised concerns about Chinese investment in Africa, and noted that the Chinese were seeking to develop an ABM capability to counter the U.S. While lacking the warmth of previous Putin-Belusconi encounters, the GOR was relieved Prodi -- in contrast to Merkel -- did not raise Russia's human rights performance. END SUMMARY.

12. (C) Italian Prime Minister Prodi's January 23 dinner with President Putin in Sochi was the third such meeting since Prodi came to office last year, and was requested by the Russians to prepare for Putin's mid-March trip to Italy, said Sergey Ryabokon of the MFA's Italian section.

AFGHANISTAN: PUTIN CRITICAL OF KARZAI

13. (C) Prodi told Putin that Italy's troop commitment in Afghanistan, and Russia's proximity to this combat zone made Afghanistan important to both of them, Mario Baldi, First Counselor at the Italian Embassy told us. According to Baldi, Putin was especially critical of Afghan President Karzai. Putin accused Karzai of maintaining contacts with "moderate" Taliban members. Arguing that there was no such thing as a "moderate" Taliban, Putin maintained that holding secret discussions with them undermined international efforts

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in Afghanistan. He also accused the Pakistani government of holding discussions with Taliban members. Putin stated that the GOR had been approached by Taliban representatives in the past, but that he had always refused to allow talks. Putin told Prodi that Karzai was becoming more isolated in Afghanistan, even losing support among his own ethnic Pashtuns. The MFA confirmed Putin's suggestion that the Northern Alliance be given a greater role in the government.

KOSOVO: PUTIN SAYS BELGRADE MUST AGREE

14. (C) According to the MFA, Putin told Prodi that he was seriously concerned about a "Greater Albania" should Kosovo gain independence. Prodi countered that Kosovar independence did not automatically mean integration with Albania, and that this could be avoided if "supervised" independence was

implemented, Baldi told us. Prodi added that EU membership could be offered to Serbia as a reward for approving the Ahtisaari plan, noting that membership would be a stabilizing factor in Serbia. Putin told Prodi that Russia would not accept any plan that Belgrade did not approve. He restated the GOR position that final status for Kosovo would offer a precedent for resolving the frozen conflicts in Georgia and Moldova.

SOMALIA: U.S. MOTIVES QUESTIONED

15. (C) Putin was critical of recent U.S. air strikes in Somalia, Ryabokon said. He told Prodi that any such action should be conducted with the approval of the United Nations. He added that the U.S. too often acted unilaterally, and that the U.S.'s true motivation in Somalia was to assert control over its natural resources, mainly energy. The MFA said Prodi agreed that the best approach for resolving the crisis in Somalia was through the United Nations.

RUSSIAN CONCERNS ABOUT CHINESE IN AFRICA

16. (C) Putin told Prodi that Russia was concerned about increased Chinese investment in Africa, Baldi said. China was developing both its economy and military and sought to become a world power. Nevertheless, both Prodi and Putin agreed that they should work with China regarding economic cooperation, and, in Russia's case, military cooperation, to ensure China played a constructive role in the world, Baldi said. Putin added that China wanted to develop ballistic missile interceptors to counter the U.S.

TRADE AND ENERGY

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17. (C) The two also discussed the growing trade between the two countries, Ryabokon said. Trade had increased by 28 percent since 2005, amounting to about USD 30 billion. The two praised an energy cooperation agreement between Gazprom and the Italian energy firm Eni.

COMMENT

18. (C) PM Berlusconi was one of Putin's favorites, and a visit to Sochi was usually accompanied by hijinks like the press availability that featured Putin's pigs or a kissing contest at an Italian refrigerator manufacturer's plant. At the same time, Putin could count on Berlusconi taking a highly supportive public line on Russian developments. In contrast, Prodi was all business. However, Moscow will likely continue to view Rome as a close friend, given the economic and energy ties that dominate the relationship. Much of the "warmth" evident during Prodi's brief stop was relative: in contrast to Merkel, Prodi made no pronouncements on Russia's internal performance -- a fact, according to the Italian Embassy, that Putin commented on favorably during his discussions with the Italian PM.

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